

CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/18/02

AGENDA ITEM

4

WORK SESSION ITEM

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Approval and Appropriation of the Operating and Capital Budgets for the Fiscal year 2002-2003; Approval and Appropriation of the 2002-2003 Redevelopment Agency Budget; Approval of the 2002-2003 Master Fee Schedule; Approval of the 2002-2003 Capital Improvement Program, and the 2002-2003 Gann Appropriation Limit

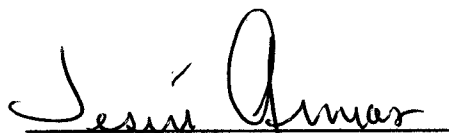
RECOMMENDATION:

It is recommended that the City Council adopt the attached resolutions:

1. Approving the Operating and Hayward Redevelopment Agency budgets, and appropriating funds for operating expenses and capital projects for 2002-2003; and
2. Amending the Master Fee Schedule to include modifications reflected in the 2002-2003 Operating Budget; and
3. Approving spending plans embodied in the 2002-2003 Capital Improvement Program; and
4. Establishing the 2002-2003 Appropriation Limit.

BACKGROUND:

At its meeting on June 11, 2002, the City Council held a public hearing on the 2002-2003 Recommended Budget, Redevelopment Agency Budget, the 2002-2003 Master Fee Schedule, the Capital Improvement Program 2002-2003 Update and the Gann Appropriation Limit. A copy of the Master Fee Schedule is on file in the City Clerk's Office. Following public testimony, Council directed staff to prepare the necessary resolutions to implement Council budget decisions for Council consideration and formal action on June 18, 2002. The appropriate resolutions adopting the 2002-2003 Operating Budgets, Capital Budget, Master Fee Schedule and Gann Appropriation Limit are attached for Council's review and action.


Jesús Armas, City Manager

Attachment: Resolutions

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

**RESOLUTION APPROVING THE BUDGET OF THE CITY
OF HAYWARD FOR FISCAL YEAR 2002-2003; ADOPTING
APPROPRIATIONS FOR FISCAL YEAR 2002-2003; AND
MAKING CERTAIN POLICY DECISIONS REGARDING THE
BUDGETS FOR UPCOMING FISCAL YEARS**

WHEREAS, the City Manager has submitted to the City Council of the City of Hayward estimates of revenues from all sources and estimates of expenditures required for the proper conduct of the activities of the City of Hayward for fiscal year 2002-2003 contained in those documents entitled "City of Hayward Two-year 2001-2003 Recommended Budget," with adjustments to the Proposed Budget as approved at the June 11, 2002 Public Hearing Council Meeting, and 2002-2003 Capital Improvement Program 2002-2003; and

WHEREAS, a public hearing was held by the City Council of the City of Hayward, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the budget recommended by the City Manager.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That the budget for fiscal year 2002-2003 presented by the City Manager in the documents entitled "City of Hayward Two-year 2001-2003 Recommended Budget," with adjustments to the Proposed Budget as outlined in the June 11, 2002 Council Work Session Budget Report are hereby approved and adopted as the budget of the City of Hayward for fiscal year 2002-2003. Copies of the budget documents and the staff reports presented by the City Manager are on file in the office of the City Clerk and are hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. That except as may be otherwise provided, any and all expenditures relating to the objectives described in the budget are hereby approved and authorized and payments therefor may be made by the Director of Finance without further action of Council.
3. That for the purposes of determining whether the City Manager is authorized to execute a contract for a commodity or service pursuant to City Charter section 701 subsection 8, the City Manager shall have the authority to expend

such funds and enter into and execute any and all contracts and documents necessary to carry out the objectives of the Council's appropriations as set forth in this budget.

4. The City Manager shall have the authority to bind and prepay all coverages and to negotiate and execute all documents necessary to obtain the insurance, third party administration services, and defense of claims budgeted for in the Liability Insurance Fund.
5. The City Manager is also authorized to enter into an Amended Repayment Agreement with the Redevelopment Agency in substantially the same form as the Amended Repayment Agreement on file in the office of the City Clerk, together with such additional changes approved by the City Manager and the City Attorney. Such Amended Repayment Agreement consolidates the provisions of the Repayment Agreement executed on September 23, 1975, as amended through the tenth amendment thereto, and also provides for the repayment of additional expenses incurred by the City of Hayward from tax increment revenues, based on the findings and provisions contained in the Amended Repayment Agreement.
6. The following amounts are hereby appropriated for expenditure:

I. OPERATING EXPENDITURE APPROPRIATIONS

GENERAL FUND:

Mayor and City Council	434,852
City Manager	3,218,045
City Attorney	920,002
City Clerk	401,193
Personnel	2,204,606
Finance	5,517,786
Police	36,427,995
Fire	18,747,957
Public Works	6,804,973
Community & Economic Development	5,949,015
Library	3,647,104
Non-Departmental	560,180
Total - General Fund	84,833,708

OTHER FUNDS:

Community Development Block Grant Fund	2,772,560
Small Business Economic Development Revolving Loan Fund	347,217
Measure B Paratransit Fund	785,128
Housing Mortgage Revenue Bond Fund	119,664
Downtown Business Improvement Fund	87,286
Home Loan Fund	26,184
Recycling Fund	627,664
Narcotics Asset Seizure Fund	100,000
Certificates of Participation Debt Service Fund	2,345,649
Street Lighting Fund	274,210
Special Assessments Debt Service Fund	1,307,193
Stormwater Maintenance & Operations Fund	1,957,223
Wastewater Maintenance & Operations Fund	12,201,861
Water Maintenance & Operations Fund	19,141,151
Airport Operations Fund	1,860,014
Airport Improvement Trust Fund	237,600
Centennial Hall Fund	593,888
Workers' Compensation Fund	3,421,913
Liability Insurance Fund	1,519,777
Equipment Management Fund	4,433,578
L.I.D. Fund 1-5	58,523
Peppertree Park Maintenance	7,648

Total - All Other Funds	54,225,931
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TOTAL:	ALL FUNDS	139,059,639
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7. The Director of Finance is hereby authorized to transfer the following amounts from one fund to another as indicated below at such time as he may determine, giving consideration to the intended purposes for which the transfers are made and available balances in each of the funds.

II. FUND TRANSFERS

FROM FUND:	TO FUND:	AMOUNT:
General	Capital Improvement Fund	960,000
	Liability Insurance	1,043,414

	Centennial Hall	361,125
	Debt Service Transfers	3,027,155
	Transportation Systems Improvement	350,000
	Street Lighting Fund	320,000
Gas Tax	General	1,239,000
CDBG	Liability Insurance	8,710
Housing Mortgage Revenue Bond	Liability Insurance	1,161
Recycling	Liability Insurance	3,484
	General--Cost Allocation	40,654
Local Law Enforcement Block Grants	General	198,676
Citizens Option for Public Safety	General	295,189
Stormwater Maintenance & Operation	General--Cost Allocation	126,344
	Liability Insurance	13,977
Wastewater Maintenance & Operations	General--Cost Allocation	571,525
	Sewer Replacement--Capital Reserves	1,000,000
	Wastewater Treatment Plant Replacement	2,000,000
	Sewer Improvement--Connection Fees	1,250,000
	Liability Insurance	205,758
Water Maintenance & Operations	General--Cost Allocation	787,811
	Liability Insurance	153,355
	Water Replacement	2,000,000
	Water Improvement	1,800,000
Airport Operations	General--Cost Allocation	130,425
	Liability Insurance	36,843
	Airport Improvement Trust	237,600
	Airport Capital Improvement	700,000
	Water Maintenance & Operations	209,754

Centennial Hall	General--Cost Allocation	69,956
	Liability Insurance	9,639
Workers' Compensation	General--Cost Allocation	118,955
	Liability Insurance	2,323
Liability Insurance	General--Cost Allocation	344,599
Equipment Management	General--Cost Allocation	160,901
	Liability Insurance	27,855

8. There are hereby appropriated the following amounts to Reserves and Designations of Fund Balances, which the Director of Finance shall enter upon the records and reflect in the financial statement of the City:

RESERVES AND DESIGNATIONS

FUND	PURPOSE	AMOUNT
General	Economic Uncertainty	7,000,000
	Liquidity Reserve	3,500,000
	RDA Loan, Civic Center Sale	1,336,000
	Public Safety Radio System	2,250,000
	Hotel/Conference Center	1,250,000
	PERS Reserve	1,000,000

In addition to the above-specified amounts, the balances in each fund that are not otherwise appropriated are hereby appropriated to Contingency Reserves in those funds. Expenditures from Reserves or Designated Fund Balances shall require the approval of the City Council.

9. Any monies received during fiscal year 2002-2003 as a consequence of a grant application approved by the City Council are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the City Manager to expend such monies and for the Finance Director to make payments therefor in accordance with the terms and conditions and for the purposes of the grant.
10. The Director of Finance is hereby authorized and directed to distribute the above appropriations, transfers, and reserves to the various accounts of the City in accordance with generally accepted accounting principles and consistent with the purposes and objectives as outlined in the approved budget.

11. Any contract for professional service included in the annual budget that will cost more than \$25,000 shall be executed by the City Manager only upon approval of the contract by the City Council given at a meeting of the City Council.
12. The Finance Director is directed to comply with GASB 31 (Unrealized investment gains and losses) and is authorized to make such entries as are required to the City's financial records. In addition, the Finance Director is authorized to make such changes to the budget as are required by GASB 31.
13. The 2001-2002 budget resolutions are hereby amended to reflect actual expenditures for fiscal year 2001-2002.
14. The City Manager is hereby authorized to enter into a revolving loan Credit Agreement with United California Bank in a form which is satisfactory to the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DRAFT

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-_____

Introduced by Agency Members _____

RESOLUTION APPROVING THE BUDGET OF THE
REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
AND ADOPTING APPROPRIATIONS FOR FISCAL YEAR
2002-2003

WHEREAS, the Executive Director has submitted to the Redevelopment Agency of the City of Hayward estimates of revenue from all sources and estimates of expenditures required for the proper conduct of the activities of the Redevelopment Agency of the City of Hayward for fiscal year 2002-2003; and

WHEREAS, a public hearing was held by the Redevelopment Agency of the City of Hayward, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the recommended budget.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that:

1. The budget presented by the Executive Director is hereby approved and adopted as the budget of the Redevelopment Agency of the City of Hayward for fiscal year 2002-2003. The budget presented by the Executive Director and approved by this resolution appears on pages 188-195, 204-208 and 259-262 of the document entitled "City of Hayward Two-year 2001-2003 Recommended Budget," with adjustments as outlined in the June 4, 2002 Budget Council Work Session Report," which is hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. The Executive Director is also authorized to enter into an Amended Repayment Agreement is substantially the same form as the Amended Repayment Agreement on file in the office of the Secretary, together with such additional changes approved by the Executive Director and the General Counsel. Such Amended Repayment Agreement consolidates the provisions of the Repayment Agreement executed on September 23, 1975, as amended through the tenth amendment thereto and also provides for the repayment of additional expenses incurred by the City of Hayward based on the findings therein contained .

3. The following amounts are hereby appropriated for expenditure:

I. Hayward Redevelopment Agency Fund

REVENUES

Property Taxes	2,508,689
Interest Income	149,729
Other Revenue	166,000

TOTAL FUNDS AVAILABLE	2,824,418
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EXPENDITURES

Hayward Redevelopment Agency	1,614,642
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TRANSFERS TO OTHER FUNDS

General Fund--Cost Allocation	312,536
Liability Insurance	4,645
Debt Service--Tax Allocation Bonds	543,506
Downtown Business Improvement	35,000
Debt Service - Sewer Fund \$3.2 Million Loan	883,540
Debt Service - Sidewalk Assessment District	225,942
Debt Service - Low & Moderate Housing Fund Payback	270,668

Subtotal	2,275,837
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TOTAL EXPENDITURES & TRANSFERS	3,890,479
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II. Hayward Redevelopment Agency Debt Service Fund

EXPENDITURES	1,439,546
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TOTAL EXPENDITURES & TRANSFERS	1,439,546
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III. Low and Moderate Housing Fund

REVENUES

Property Tax	380,160
Interest Income	211,000

TOTAL FUNDS AVAILABLE	591,160
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EXPENDITURES

Low & Mod Housing Fund 499,864

TRANSFERS TO OTHER FUNDS

General Fund - Cost Allocation 45,418

TOTAL EXPENDITURES & TRANSFERS 545,282

4. Any and all expenditures relating to the objectives described in the budget are hereby approved and authorized and payments therefor may be made by the Treasurer.
5. Except as limited in paragraph 6 of this resolution, the Executive Director is authorized without further action from Council to enter into a contract or agreement for any commodity or service included in the annual budget of the Redevelopment Agency.
6. For the purposes of determining whether the Executive Director has the authority to execute a contract for a commodity or service pursuant to section 4 above, the Executive Director shall have the authority to expend such funds and enter into and execute any and all contracts and documents necessary to carry out the objectives of the Agency's appropriations as set forth in this budget.
7. Any contract for professional service included in the annual budget that will cost more than \$25,000 shall be executed by the Executive Director only upon approval of the contract by the Redevelopment Agency Board given at a meeting of the Redevelopment Agency.
8. The 2001-2002 budget resolutions are hereby amended to reflect actual expenditures for fiscal year 2001-2002.

HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

**RESOLUTION ADOPTING A REVISED MASTER FEE
SCHEDULE RELATING TO FEES AND CHARGES FOR
DEPARTMENTS IN THE CITY OF HAYWARD AND
RESCINDING RESOLUTION NO. 01-096 AND ALL
AMENDMENTS THERETO**

WHEREAS, section 15273 of the California Environmental Quality Act Guidelines states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of:

- 1. Meeting operating expenses, including employee wage rates and fringe benefits;**
- 2. Purchasing or leasing supplies, equipment, or materials;**
- 3. Meeting financial reserve needs and requirements;**
- 4. Obtaining funds necessary for capital projects necessary to maintain service within existing service areas; or**
- 5. Obtaining funds necessary to maintain intra-city transfers as are authorized by City Charter; and**

WHEREAS, the City Council finds and determines that this action is exempt from CEQA based on the foregoing provisions.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby adopts a revised Master Fee Schedule relating to fees and charges for all departments of the City of Hayward, a copy of which is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that if any provision of this Master Fee Schedule is deemed to be invalid or beyond the authority of the City of Hayward, either on its face or as applied, the invalidity of such provision shall not affect the other provisions of this Master Fee Schedule, and the applications thereof; and to that end the provisions of this Master Fee Schedule shall be deemed severable.

BE IT FURTHER RESOLVED that Resolution No. 01-096, and all amendments thereto are hereby rescinded.

BE IT FURTHER RESOLVED that this resolution shall become effective as of July 1, 2002.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

**RESOLUTION APPROVING A SPENDING PLAN FOR
CAPITAL PROJECTS FOR FISCAL YEARS 2002-2003
THROUGH 2005-06**

WHEREAS, the City Manager has submitted to the City Council of the City of Hayward estimates of revenues from all sources and estimates of expenditures required for the proper conduct of the activities of the City of Hayward for fiscal year 2002-2003 contained in those documents entitled "City of Hayward 2001-2003 Recommended Budget" and "Five Year Capital Improvement Program 2002-2003 update"; and

WHEREAS, a public hearing was held by the City Council of the City of Hayward, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the Capital Improvement Program budget recommended by the City Manager; and

WHEREAS, by Resolution No.02-__ dated June 18, 2002, the City Council adopted the budget and appropriated funds for operating expenses for 2002-2003.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That the spending plan embodied in the Capital Improvement Program 2002-2003 update is hereby adopted as the Capital Improvement Program for the fiscal years 2002-2003 through 2005-06. Copies of the budget documents and the staff reports presented by the City Manager are on file in the office of the City Clerk and are hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. That except as may be otherwise provided, any and all expenditures relating to the objectives described in the Capital Improvement Program budget are hereby approved and authorized and payments therefor may be made by the Director of Finance without further action of Council.
3. That for the purposes of determining whether the City Manager is authorized to execute a contract for a commodity or service pursuant to City Charter section 701 subsection 8, the City Manager shall have the authority to expend

such funds and enter into and execute any and all contracts and documents necessary to carry out the objectives of the Council's appropriations as set forth in this Capital Improvement Program budget.

4. The following are hereby approved for expenditure:

I. CAPITAL EXPENDITURE APPROPRIATIONS

Gas Tax Fund (210)	1,684,000
Measure B Tax Fund (211)	2,120,000
Capital Improvement Fund (410)	4,146,000
Street System Improvement Fund (413)	8,127,000
Transportation System Improvement Fund (420)	1,081,000
Street Lighting Fund (422)	723,000
Route 238 Fund (430)	40,000
Sewer Improvement Fund (613)	8,245,000
Sewer Replacement Fund (614)	1,909,000
Wastewater Treatment Plant Replacement Fund (616)	1,723,000
Water Improvement Fund (622)	9,965,000
Water Replacement Fund (623)	1,486,000
Airport Capital Fund (632)	4,668,000
TOTAL: ALL CAPITAL FUNDS	45,917,000

5. The Director of Finance is hereby authorized to transfer the following amounts from one fund to another as indicated below at such time as he may determine, giving consideration to the intended purposes for which the transfers are made and available balances in each of the funds.

II. FUND TRANSFERS

FROM FUND:	TO FUND:	AMOUNT:
Gas Tax (210)	General (100)	1,239,000
General (100)	Capital Imp. (410)	960,000
Measure B Tax (211)	Street System Imp. (413)	450,000
Route 238 (430)	Street System Imp. (413)	270,000
General (100)	Transportation Imp.(420)	350,000
General (100)	Street Lighting (422)	320,000
Sewer Op. (611)	Sewer Replace ((614)	1,000,000
Sewer Op. (611)	WPCF Replace (616)	2,000,000

Water Op. (621)	Water Capital (622)	1,800,000
Water Op. (621)	Water Replace (623)	2,000,000
Airport Op. (631)	Airport Capital (632)	700,000

In order to provide for completion of work on projects previously authorized but not completed as of June 30, 2002, in addition to the above appropriations for capital expenditures, appropriation balances remaining as of June 30, 2002, for capital projects previously authorized but uncompleted, are hereby appropriated for expenditure in fiscal year 2002-2003.

6. Any monies received during fiscal year 2002-2003 as a consequence of a grant application approved by the City Council are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the City Manager to expend such monies and for the Finance Director to make payments therefor in accordance with the terms and conditions and for the purposes of the grant.
7. The Director of Finance is hereby authorized and directed to distribute the above appropriations to the various accounts of the City in accordance with generally accepted accounting practices and consistent with the purposes and objectives as outlined in the approved budget.
8. The spending plan for capital projects for fiscal years 2002-2003 through 2005-06 contained in the document entitled "Five Year Capital Improvement Program 2002-2003 update" is hereby approved.
9. Any contract for professional service included in the annual budget that will cost more than \$25,000 shall be executed by the City Manager only upon approval of the contract by the City Council given at a meeting of the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION ESTABLISHING THE APPROPRIATION
LIMIT FOR FISCAL YEAR 2002-2003

WHEREAS, by Resolutions Nos. _____ and _____, the City Council approved the budgets and appropriated funds for operating expenses and capital projects for fiscal year 2002-2003.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the appropriations limit for fiscal year 2002-2003 is hereby established as \$161,736,376. In accordance with the requirements of state law regarding the appropriations limit, the annual adjustment factors for 2002-2003 are hereby selected as follows: For change in population, the factor shall be the City of Hayward population growth factor and for the change in the cost of living, the factor shall be the California per capita income factor. When adopted, the vote on this resolution shall constitute the recorded vote of the City Council for purposes of complying with the applicable procedural requirement of state law.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward